



(Translation for reference only)

May 11, 2023

## Consolidated Financial Results

For the Fiscal Year ended in March 31, 2023

(Under Japanese GAAP)

Company name: AIFUL Corporation  
 Stock Listing: Tokyo Stock Exchange  
 Stock Code: 8515  
 URL: <https://www.aiful.co.jp>  
 Representative: Mitsuhide Fukuda, President and Chief Executive Officer  
 For inquiry: Toshiaki Ando, Assistant Senior General Manager of Finance Division TEL (03) 4503 – 6050  
 Scheduled date of annual general meeting of shareholders: June 27, 2023  
 Scheduled date of submission of Securities report: June 28, 2023  
 Scheduled date of commencement of dividend payments : June 8, 2023  
 Supplementary materials for financial results: Yes  
 Earnings release conference: Yes (For financial analysts and institutional investors)

### I. Consolidated Financial Results for the Fiscal Year ended in March 31, 2023

(April 1, 2022 – March 31, 2023)

(Amounts less than one million yen have been rounded down)

#### 1. Consolidated Operating Results

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Fiscal year ended								
March 31, 2023	144,152	9.1%	23,724	111.0%	24,428	99.2%	22,343	81.1%
March 31, 2022	132,097	3.6%	11,242	(35.9)%	12,265	(36.5)%	12,334	(33.1)%

Note: Comprehensive income: For the Fiscal year ended

March 31, 2023: 23,550 million yen 90.5%  
 March 31, 2022: 12,363 million yen (34.1)%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Profit to Shareholders' Equity Ratio (%)	Ordinary Profit to Total Assets Ratio (%)	Operating Profit to Operating Revenue Ratio (%)
Fiscal year ended					
March 31, 2023	46.19	–	13.5	2.4	16.5
March 31, 2022	25.50	–	8.2	1.4	8.5

Reference: Equity in earnings of affiliated companies: For the Fiscal year ended

March 31, 2023: 184 million yen  
 March 31, 2022: 150 million yen

#### 2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2023	1,070,485	179,593	16.4	364.01
March 31, 2022	935,642	156,526	16.4	318.17

Reference: Shareholders' equity: As of March 31, 2023: 176,072 million yen  
 As of March 31, 2022: 153,900 million yen

### 3. Consolidated Cash Flows

(Millions of yen)

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at the End of Period
Fiscal year ended				
March 31, 2023	(70,589)	(8,947)	78,195	37,885
March 31, 2022	(15,628)	(2,218)	21,028	39,147

## II. Dividend Information

	Dividend per share (Yen)					Total dividend payment (full year)	Payout Ratio % (Consolidated)	Dividend to equity ratio % (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
FY ended March 31, 2022	—	0.00	—	1.00	1.00	483	3.9	0.3
FY ended March 31, 2023	—	0.00	—	1.00	1.00	483	2.2	0.3
FY ending March 31, 2024 (Forecast)	—	0.00	—	1.00	1.00		2.1	

## III. Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2024

(April 1, 2023 – March 31, 2024)

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share (Yen)
Six months ending September 30, 2023	77,700	10.4%	7,600	(37.5)%	7,600	(39.9)%	7,100	(39.7)%	14.68
Fiscal year ending March 31, 2024	161,200	11.8%	25,200	6.2%	25,500	4.4%	22,600	1.1%	46.72

### \*Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting changes in scope of consolidation): None

(2) Changes in accounting principles, procedures and methods of presentation

(a) Changes accompanying amendments to accounting standards: Yes

(b) Changes other than those in (a): None

(c) Change in accounting estimates: Yes

(d) Restatement: None

Note: For details, please refer to "Notes to Consolidated Financial Statements (Changes in Accounting Standards)" on page 16 of [Appendix]

(3) Number of shares issued (Common stock)

(a) Number of shares issued at the end of the period (including treasury stock)

FY2022	484,620,136 shares	FY2021	484,620,136 shares
FY2022	917,614 shares	FY2021	917,470 shares
FY2022	483,702,593 shares	FY2021	483,702,666 shares

(b) Number of treasury stock at the end of the period

(c) Average number of shares during the period

## (Reference) Highlights of Non-Consolidated Business Results

### I. Non-Consolidated Business Results for the Fiscal Year ended in March 31, 2023 (April 1, 2022 – March 31, 2023)

#### 1. Non-Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
Fiscal year ended								
March 31, 2023	88,449	6.4%	19,127	302.1%	32,213	377.4%	31,028	292.2 %
March 31, 2022	83,117	5.4%	4,757	(54.6)%	6,748	(43.6)%	7,912	(17.4) %

	Profit per Share (Yen)	Diluted Profit per Share (Yen)
Fiscal year ended		
March 31, 2023	64.15	—
March 31, 2022	16.36	—

#### 2. Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2023	834,868	140,660	16.8	290.80
March 31, 2022	711,185	110,096	15.5	227.61

Reference: Shareholders' equity: As of March 31, 2023 140,660 million yen  
As of March 31, 2022 110,096 million yen

### II. Non-Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2024 (April 1, 2023 – March 31, 2024):

(In millions of yen, except where noted; percentage figures show year-on-year change.)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Profit per Share (Yen)
Six months ending September 30, 2023	48,800	11.7%	7,100	(25.8)%	8,100	(62.2)%	7,800	(62.1)%	16.13
Fiscal year ending March 31, 2024	99,100	12.0%	21,500	12.4%	23,800	(26.1)%	22,200	(28.5)%	45.90

\* Note: Brief Statement of financial results is not subject to audit procedures that are conducted by a certified public accountant or an audit corporation.

\* Note: Disclaimer concerning the proper use of business results forecasts

The forecasts and other forward-looking statements contained in this Report are based on information currently available to the Company as well as certain assumptions that the AIFUL Group has judged to be reasonable. Accordingly, actual results may differ from the forecasts due to various factors. For matters related to earnings forecast above, please refer to "1. Business Results and Other, (4) Outlook for the fiscal year ending March 2024" on page 5.

# Contents

1. Business Results and Others.....	02
(1) Overview of Business Results for the Current Fiscal Year .....	02
(2) Overview of Financial Position for the Current Fiscal Year.....	04
(3) Overview of Cash Flows for the Current Fiscal Year.....	05
(4) Outlook for the fiscal year ending March 2023.....	05
(5) Basic Policies on Profit Distribution and Dividend for the Current Fiscal Year and Next Fiscal Year.....	05
2. Basic Stance on Selection of Accounting Standards.....	06
3. Consolidated Financial Statements.....	07
(1) Consolidated Balance Sheets.....	07
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	09
(3) Consolidated Statements of Change in Shareholders' Equity.....	12
(4) Consolidated Statements of Cash Flows.....	14
(5) Notes to Consolidated Financial Statements.....	16
Notes on Premise of Going Concern.....	16
Change in scope of consolidation.....	16
Changes in Accounting Standards.....	16
Changes in Accounting Estimates .....	16
Notes to Consolidated Balance Sheets.....	17
Notes to Segment Information.....	21
Per Share Information.....	24
Important Subsequent Events.....	24
4. Non-Consolidated Financial Statements.....	25
(1) Non-Consolidated Balance Sheets.....	25
(2) Non-Consolidated Statements of Income.....	28
(3) Non-Consolidated Statements of Change in Shareholders' Equity.....	29

## 1. Business Results and Others

### (1) Overview of Business Results for the Current Fiscal Year

During the consolidated fiscal year under review, there were signs of a recovery in socioeconomic activities due to the relaxation of activity restrictions for countermeasures against COVID-19. However, the outlook remains uncertain, due to concerns about rising interest rates after the decision to raise long-term interest rates at the Bank of Japan's Monetary Policy Meeting, price increases against the backdrop of soaring energy and raw material prices caused by the situation in Ukrainian, and the economic slowdown associated with them.

The consumer finance industry's recovery trend continued as the number of new contracts at major companies increased year-on-year. In addition, although interest repayment claims have been steadily decreasing, it still requires close monitoring as it is easily affected by changes in the external environment.

Under these circumstances, AIFUL Group will work to increase the number of new contracts and improve costs by simplifying its organization and products to streamline operations and pursue UI/UX from customer's perspective, as well as by effectively and efficiently investing in advertising.

In addition, in order to grow as an IT financial group, we will strengthen our investment in IT human resources and work on data analysis and in-house production of systems using digital technology, while striving to expand assets by balancing "growth potential" and "profitability" and to make appropriate use of management resources to maximize consolidated profits.

For more than 50 years since its founding, AIFUL Group has used a heart mark, which symbolizes the sense of security and integrity as a corporate symbol. However, in order to upgrade the image to suit a corporate stance that provides new value in the future for the next 50 or 100 years, the Group has revamped its visual identity (VI) and began using a new art symbol and corporate logo on July 7, 2022.

The results by business segment are as follows.

Sumishin Life Card Co., Ltd., previously included in "Other," was extinguished on April 1, 2022, as a result of an absorption-type merger with LIFECARD CO., LTD., a reportable segment, as the surviving company. The following comparisons with the previous fiscal year have been made by reclassifying the previous fiscal year's figures into the revised segment classification.

(AIFUL Corporation)

Loan business

In the loan business, in addition to effective advertising strategies mainly on TV commercials and web, the Company is working to increase the number of new contracts and the operating loan balance by implementing initiatives to improve UI/UX, such as upgrading official sites, smartphone apps, and application forms.

As a result, the number of new contracts for unsecured loans was 301,000 (up 43.4% year on year) and the contract rate was 31.9% (down 1.0pt year on year) in the fiscal year under review.

At the end of the fiscal year under review, unsecured loans outstanding were 490,096 million yen (up 9.0% year on year), secured loans outstanding were 2,502 million yen (down 28.5% year on year), small business loans outstanding were 10,275 million yen (up 19.0% year on year), and the total balance of operating loans in the loan segment was 502,874 million yen (up 8.9% year on year) (7,427 million yen off-balance sheet operating loans from the securitization have been included).

## Credit guarantee business

In the credit guarantee business, AIFUL leveraged its know-how related to credit operations for individuals and small- and medium-sized enterprises as well as its unique strengths as an independent entity to increase the credit guarantee balance by promoting the diversification of credit guarantee products and increasing the number of guarantee partners.

As a result, loans outstanding for unsecured personal loan guarantee at the end of the fiscal year under review was 142,172 million yen (up 12.0% year on year), and loans outstanding for unsecured business loan guarantee was 42,368 million yen (up 33.4% year on year).

Of the credit guarantee for the unsecured business loans, 2,350 million yen comes from guarantees provided to AG BUSINESS SUPPORT CORPORATION.

As a result of the above, in the consolidated fiscal year under review, AIFUL posted operating revenue of 88,449 million yen (up 6.4% year on year), operating profit of 19,127 million yen (up 302.1% year on year), ordinary profit of 32,213 million yen (up 377.4% year on year), and profit of 31,028 million yen (up 292.2% year on year).

## (LIFECARD Co., Ltd.)

### Credit card business

In the credit card business, LIFECARD worked to attract new members, especially among young people, by resuming its TV commercial, as well as improve UI/UX by upgrading its website and official apps for members and increase the utilization rate by providing functions and benefits that meet the needs of customers.

In addition, with the aim of further enhancing brand loyalty, LIFECARD has revamped its visual identity (VI) and began using a new art symbol and corporate logo on February 1, 2023.

As a result of the above, the transaction volume for the consolidated fiscal year under review was 713,038 million yen (up 7.6% year on year), and the balance of installment receivables for credit card business at the end of the fiscal year under review was 107,219 million yen (up 5.3% year on year) (6,340 million yen off-balance sheet operating loans from the securitization have been included).

### Card Cashing

The total amount of loans outstanding at the end of the fiscal year under review in LIFECARD's loan business was 23,289 million yen (down 1.4% year on year) (1,638 million yen off-balance sheet operating loans from the securitization have been included).

### Credit guarantee business

In the credit guarantee business, LIFECARD leveraged its know-how related to credit operations for individuals and small- and medium-sized enterprises as well as its unique strengths as an independent entity to increase the credit guarantee balance by promoting the diversification of credit guarantee products and increasing the number of guarantee partners.

As a result, loans outstanding for unsecured personal loan guarantee at the end of the fiscal year under review was 27,760 million yen (up 3.5% year on year), and loans outstanding for unsecured business loan guarantee was 1,261 million yen (up 11.0% year on year).

As a result of the above, LIFECARD Co., Ltd. recorded operating revenue of 35,689 million yen (up 1.4% year on year), operating profit of 1,274 million yen (down 10.4% year on year), ordinary profit of 1,419 million yen (down 13.2% year on year), and profit of 911 million yen (down 42.5% year on year).

#### (Other)

Seven consolidated subsidiaries (AIRA & AIFUL Public Company Limited, AG BUSINESS SUPPORT CORPORATION, AG Loan Services Corporation, AG Capital Co., Ltd., AG GUARANTEE CO., LTD., AG MIRAIBARAI CO., LTD. and AG Medical Corporation) which are not included in reportable segments for the fiscal year under review, posted operating revenue of 20,574 million yen (up 29.8% year on year), operating profit of 1,976 million yen (down 49.2% year on year), ordinary profit of 2,044 million yen (down 86.0% year on year), and profit of 1,958 million yen (down 86.0% year on year).

AIFUL GUARANTEE CO., LTD. changed its name to AG GUARANTEE CO., LTD. as of July 11, 2022, and AIFUL BUSINESS FINANCE CORPORATION changed its name to AG BUSINESS SUPPORT CORPORATION as of February 25, 2023.

#### (Overview of the Results)

In the consolidated fiscal year under review, AIFUL Group's operating revenue amounted to 144,152 million yen (up 9.1% year on year). The principal components were 83,230 million yen in interest on loans receivable (up 9.0% year on year), 20,508 million yen revenue from the credit card business (up 8.9% year on year) and 17,030 million yen revenue in the credit guarantee business (up 8.3% year on year).

Operating expenses decreased 428 million yen, or 0.4% year on year, to 120,427 million yen. This was mainly due to an increase of 5,554 million yen or 49.1% year on year to 16,876 million yen in advertising expenses, an increase of 8,085 million yen or 29.0% year on year in provision for doubtful accounts to 36,004 million yen and a decrease of 19,929 million yen or 100.0% year on year in provision for loss on interest repayment.

As a result of the above, AIFUL Group's operating profit for the fiscal year under review was 23,724 million yen (up 111.0% year on year), and ordinary profit was 24,428 million yen (up 99.2% year on year). Profit attributable to owners of the parent was 22,343 million yen (up 81.1% year on year) as a result of posting profit attributable to non-controlling interests of 603 million yen.

## (2) Overview of Financial Position for the Current Fiscal Year

### (Assets, liabilities, net assets)

Assets at the end of the consolidated fiscal year under review increased by 134,842 million yen from the end of the previous fiscal year to 1,070,485 million yen (up 14.4% from the end of the previous fiscal year). This was primarily due to an increase of 66,771 million yen in operating loans and an increase of 26,314 million yen in installment receivables.

Liabilities increased by 111,775 million yen to 890,892 million yen (up 14.3% from the end of the previous fiscal year). This was primarily due to an increase of 80,834 million yen in bonds payable and borrowings.

Net assets increased 23,067 million yen to 179,593 million yen (up 14.7% from the end of the previous fiscal year). The increase

was mainly attributable to an increase in retained earnings.

### (3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated fiscal year under review decreased by 1,261 million yen from the end of the previous fiscal year to 37,885 million yen (down 3.2% from the end of the previous fiscal year).

The situation of each category of cash flow for the current consolidated fiscal year and the contributing factors are as follows.

#### (Cash flows from operating activities)

Net cash used for operating activities amounted to 70,589 million yen, an increase of 351.7% compared with the previous fiscal year. This was mainly due to a decline in funds reflecting an increase in operating loans and installment receivables.

#### (Cash flows from investing activities)

Net cash used for investing activities amounted to 8,947 million yen, an increase of 303.3% compared with the previous fiscal year. This was mainly due to purchases of intangible assets and investment securities.

#### (Cash flow from financing activities)

Net cash provided by financing activities amounted to 78,195 million yen, an increase of 271.9% compared with the previous fiscal year. This was mainly due to proceeds from issuance of bonds and borrowings.

### (4) Outlook for the fiscal year ending March 2024

Regarding the future outlook, while the demand for funds is expected to recover due to the relaxation of activity restrictions for countermeasures against COVID-19, the uncertain business environment is expected to continue as the economic slowdown is cautioned by the impact of rising prices against the backdrop of soaring energy and raw material prices.

In addition, the environment surrounding the Group is changing rapidly due to new entry from outside industries and acceleration of digital transformation, etc., and it is necessary to respond promptly to the changes.

Under these circumstances, AIFUL Group will continue to focus on increasing operating assets, diversifying financial business across the Group, mainly in the loan, credit card, credit guarantee, and overseas businesses and balancing "safety," "profitability," and "growth potential," while responding to interest repayment claims, which is one of the management issues. In addition, in order to respond to the ever-changing environment, the Group will strive to transform itself into a company that can gain strong support from stakeholders by establishing AIFUL Group brand and enhancing the use of data, as well as to maximize our credit capacity through the use of IT and digital technology and to maximize consolidated profits.

With regard to its earnings forecasts for the fiscal year ending March 2024, AIFUL Group expects to record operating revenue of 161,200 million yen (up 11.8% year on year), operating profit of 25,200 million yen (up 6.2% year on year), ordinary profit of 25,500 million yen (up 4.4% year on year), and profit attributable to owners of parent of 22,600 million yen (up 1.1% year on year).

The above forecasts are based on information available as of the date of publication of this document, and the actual financial results may differ from the forecasts due to various factors going forward.



## (5) Basic Policies on Profit Distribution and Dividend for the Fiscal Year under Review and Next Fiscal Year

AIFUL Group recognizes that returning profits to our shareholders is one of the most important management issues. The Company's basic policy is to secure stable internal reserves and return profits to shareholders in accordance with our operating results, while aiming to maximize shareholder value through medium-to long-term profit growth.

As initially planned, we plan to pay a dividend of 1 yen per share at the end of the current fiscal year. For the next fiscal year, we plan to pay an annual dividend of 1 yen per share (1 yen per share at the end of the fiscal year).

## **2. Basic stance on selection of accounting standards**

In preparation for the pending application to the IFRS, AIFUL Group is developing internal manuals, guidelines and other documents and examining the timing of the application.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	44,448	43,251
Operating loans	547,457	614,229
Accounts receivables - installment	110,244	136,559
Operational investment securities	2,312	2,540
Customers' liabilities for acceptances and guarantees	193,225	221,659
Other operating receivables	10,241	13,185
Purchased receivables	5,338	6,985
Other	25,440	34,576
Allowance for doubtful accounts	(57,906)	(63,040)
Total current assets	880,801	1,009,948
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,807	23,837
Accumulated depreciation	(18,593)	(18,811)
Buildings and structures, net	5,214	5,026
Machinery, equipment and vehicles	432	450
Accumulated depreciation	(355)	(292)
Machinery, equipment and vehicles, net	77	158
Furniture and fixtures	5,344	5,440
Accumulated depreciation	(4,406)	(4,555)
Furniture and fixtures, net	937	884
Land	8,900	8,900
Leased assets	4,980	5,316
Accumulated depreciation	(3,318)	(4,142)
Leased assets, net	1,662	1,194
Construction in progress	116	73
Total property, plant and equipment	16,908	16,238
Intangible assets		
Software	6,635	8,235
Other	101	157
Total intangible assets	6,737	8,392
Investment and other assets		
Investment securities	6,571	10,978
Claims provable in bankruptcy	22,567	18,167
Deferred tax assets	12,599	15,012
Lease and guarantee deposits	5,322	3,913
Other	4,474	4,417
Allowance for doubtful accounts	(20,339)	(16,582)
Total investments and other assets	31,195	35,906
Total non-current assets	54,841	60,537
Total assets	935,642	1,070,485

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes & accounts payable-trade	40,919	43,066
Acceptances and guarantees	193,225	221,659
Short-term borrowings	77,310	69,582
Short-term loans payable to subsidiaries and associates	1,533	1,734
Commercial papers	2,500	12,000
Current portion of bonds	35,000	—
Current portion of long-term borrowings	166,786	183,832
Income taxes payable	860	2,006
Allowance for bonuses	1,415	1,555
Provision for directors' bonuses	40	45
Provision for share-based remuneration	—	50
Deferred installment income	3,021	7,094
Other	26,644	30,284
Total current liabilities	549,257	572,912
Non-current liabilities		
Bonds payable	—	45,000
Long-term borrowings	197,271	249,087
Deferred tax liabilities	7	—
Provision for loss on interest repayment	24,594	17,383
Other	7,986	6,509
Total non-current liabilities	229,859	317,979
Total liabilities	779,116	890,892
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	94,028	94,068
Capital surplus	14,017	14,017
Retained earnings	47,560	69,419
Treasury shares	(3,110)	(3,110)
Total shareholders' equity	152,495	174,354
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,098	1,123
Foreign currency translation adjustment	306	595
Total accumulated other comprehensive income	1,404	1,718
Non-controlling interests	2,626	3,520
Total net assets	156,526	179,593
Total liabilities and net assets	935,642	1,070,485

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### i. Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2022 (Apr. 1 2021 to Mar. 31 2022)	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)
Operating revenue		
Interest on loans receivable	76,332	83,230
Revenue from credit card business	18,833	20,508
Revenue from installment sales	1,266	2,649
Revenue from credit guarantee	15,730	17,030
Other financial revenue	5	5
Other operating revenue		
Collection from purchased receivable	889	1,094
Recoveries of written off claims	7,492	7,488
Other	11,547	12,144
Total other operating revenue	19,928	20,727
Total operating revenue	132,097	144,152
Operating expenses		
Financial expenses		
Interest expenses	5,872	5,889
Interest on bonds	433	429
Other	735	749
Total financial expenses	7,041	7,068
Cost of sales		
Other	199	229
Total cost of sales	199	229
Other operating expenses		
Advertising expenses	11,321	16,876
Commissions	15,283	17,958
Provision of allowance for doubtful accounts	27,918	36,004
Provision for loss on interest repayment	19,929	—
Employees' salaries, allowances and bonuses	12,071	12,333
Provision for bonuses	1,303	1,462
Retirement benefit expenses	502	509
Other	25,283	27,985
Total other operating expenses	113,614	113,129
Total operating expenses	120,855	120,427
Operating profit	11,242	23,724

(Millions of yen)

	FY ended March 31, 2022 (Apr. 1 2021 to Mar. 31 2022)	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)
Non-operating income		
Interest on loans receivable	224	19
Share of profit of entities accounted for using equity method	150	184
Foreign exchange gains	370	204
Real estate rent	77	93
Other	236	246
Total non-operating income	1,058	747
Non-operating expenses		
Provision for doubtful accounts	3	3
Loss on investments in silent partnership	—	16
Infectious disease related costs	10	4
Other	20	18
Total non-operating expenses	35	44
Ordinary profit	12,265	24,428
Extraordinary losses		
Loss on valuation of stocks of subsidiaries and affiliates	—	14
Provision for doubtful accounts	—	453
Total extraordinary losses	—	468
Profit before income taxes	12,265	23,959
Income taxes – current	2,602	3,349
Income taxes – deferred	(3,374)	(2,336)
Total income taxes	(772)	1,013
Profit	13,037	22,946
Profit attributable to non-controlling interests	703	603
Profit attributable to owners of parent	12,334	22,343

ii. Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY ended March 31, 2022 (Apr. 1 2021 to Mar. 31 2022)	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)
Profit	13,037	22,946
Other Comprehensive income		
Valuation difference on available-for-sale securities	(659)	24
Foreign currency translation adjustment	(15)	579
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	(674)	604
Comprehensive income	12,363	23,550
Comprehensive income attributable to		
Owners of parent	11,719	22,656
Non-controlling interests	643	894

### (3) Consolidated Statements of Change in Shareholders' Equity

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2021	94,028	13,948	38,669	(3,110)	143,536
Cumulative effects of changes in accounting policies			(2,960)		(2,960)
Restated balance	94,028	13,948	35,709	(3,110)	140,575
Changes during the period					
Dividends of surplus			(483)		(483)
Profit attributable to owners of parent			12,334		12,334
Purchase of treasury shares					—
Purchase of shares of consolidated subsidiaries		68			68
Net changes in accounts other than shareholders' equity	—	—	—	—	—
Total change during fiscal year	—	68	11,850	—	11,919
Balance at March 31, 2022	94,028	14,017	47,560	(3,110)	152,495

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance at April 1, 2021	1,705	314	2,019	2,136	147,692
Cumulative effects of changes in accounting policies			—		(2,960)
Restated balance	1,705	314	2,019	2,136	144,732
Changes during the period					
Dividends of surplus					(483)
Profit attributable to owners of parent					12,334
Purchase of treasury stock					—
Purchase of shares of consolidated subsidiaries				—	68
Net changes in accounts other than shareholders' equity	(606)	(7)	(614)	489	(125)
Total change during fiscal year	(606)	(7)	(614)	489	11,794
Balance at March 31, 2022	1,098	306	1,404	2,626	156,526

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2022	94,028	14,017	47,560	(3,110)	152,495
Cumulative effects of changes in accounting policies			—		—
Restated balance	94,028	14,017	47,560	(3,110)	152,495
Changes during the period					
Dividends of surplus			(483)		(483)
Profit attributable to owners of parent			22,343		22,343
Purchase of treasury stock				(0)	(0)
Purchase of shares of consolidated subsidiaries					—
Net changes in accounts other than shareholders' equity	—	—	—	(0)	—
Total change during fiscal year	—	—	21,859	—	21,859
Balance at March 31, 2023	94,028	14,017	69,419	(3,110)	174,354

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance at April 1, 2022	1,098	306	1,404	2,626	156,526
Cumulative effects of changes in accounting policies			—		
Restated balance	1,098	306	1,404	2,626	156,526
Changes during the period					
Dividends of surplus					(483)
Profit attributable to owners of parent					22,343
Purchase of treasury stock					(0)
Purchase of shares of consolidated subsidiaries					—
Net changes in accounts other than shareholders' equity	24	288	313	894	1,207
Total change during fiscal year	24	288	313	894	23,067
Balance at March 31, 2023	1,123	595	1,718	3,520	179,593



#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 31, 2022 (Apr. 1 2021 to Mar. 31 2022)	FY ended March 31, 2023 (Apr. 1 2022to Mar. 31 2023)
Cash flows from operating activities		
Profit before income taxes	12,265	23,959
Depreciation	3,417	3,599
Increase (decrease) in allowance for doubtful accounts	132	897
Increase (decrease) in provision for bonuses	(19)	139
Increase (decrease) in provision for directors' bonuses	4	4
Increase (decrease) in provision for share-based remuneration	—	50
Increase (decrease) in provision for point card certificates	(2,560)	—
Increase (decrease) in allowance for loss on interest repayment	11,680	(7,210)
Interest and dividend income	(254)	(54)
Loss (gain) on sales of investment securities	—	14
Share of loss (profit) of entities accounted for using equity method	(150)	(184)
Decrease (increase) in operating loans receivable	(31,185)	(64,201)
Decrease (increase) in accounts receivable – installment	(8,524)	(26,314)
Decrease (increase) in other operating receivable	(1,492)	(2,943)
Decrease (increase) in purchased receivable	(1,867)	(1,647)
Decrease (increase) in claims provable in bankruptcy	(484)	4,400
Decrease (increase) in business guarantee deposits, etc.	—	1,218
Decrease (increase) in other current assets	(2,284)	9,685
Increase (decrease) in other current liabilities	7,880	9,724
Other	1,133	(677)
Subtotal	(12,308)	(68,909)
Interest and dividend income	342	74
Income taxes refund	32	482
Income taxes paid	(3,694)	(2,238)
Cash flow from operating activities	(15,628)	(70,589)
Cash flows from investing activities		
Payments into time deposits	(5,297)	(5,351)
Proceeds from withdrawal of time deposits	5,001	5,286
Purchase of property, plant and equipment	(461)	(996)
Purchase of intangible assets	(3,059)	(3,487)
Purchase of investment securities	(281)	(4,246)
Other	1,879	(151)
Cash flows from investing activities	(2,218)	(8,947)

(Millions of yen)

	FY ended March 31, 2022 (Apr. 1 2021 to Mar. 31 2022)	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,607,229	1,304,135
Repayments of short-term borrowings	(1,629,114)	(1,312,462)
Proceeds from issuance of commercial papers	2,500	40,500
Redemption of commercial papers	—	(31,000)
Proceeds from long-term loans payable	201,495	259,557
Repayments of long-term loans payable	(164,251)	(190,908)
Proceeds from issuance of bonds	20,000	45,000
Redemption of bonds	(15,075)	(35,000)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(142)	—
Cash dividends paid	(483)	(483)
Other	(1,129)	(1,142)
Cash flows from financing activities	21,028	78,195
Effect of exchange rate changes on cash and cash equivalents	20	79
Net increase (decrease) in cash and cash equivalents	3,201	(1,261)
Cash and cash equivalents at beginning of period	35,945	39,147
Cash and cash equivalents at end of period	39,147	37,885

(5) Notes to Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

(Change in scope of consolidation)

Sumishin Life Card Company, Limited, a consolidated subsidiary of the Company, was extinguished by an absorption-type merger with LIFECARD CO., LTD., a consolidated subsidiary, as the surviving company on April 1, 2022, and is therefore excluded from the scope of consolidation.

(Changes in Accounting Standards)

"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) has been applied since the beginning of the current fiscal year, and the new accounting policy stipulated by Implementation Guidance on Accounting Standard for Fair Value Measurement shall be applied prospectively in accordance with the transitional treatment stipulated in Article 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no impact on the consolidated financial statements.

(Changes in Accounting Estimates)

(Changes in Estimates of Allowance for Doubtful Accounts)

The general allowance for doubtful account had been calculated by classifying loans by loan type according to the length of delinquency of the borrower and using the historical loan-loss ratio for the calculation period, such as the average remaining period for each classification. However, as a result of a review of some loan management classifications, the Company has changed to a calculation method based on the borrower's debt status (attorney intervention, etc.).

As a result, operating profit, ordinary profit and profit before income taxes for the fiscal year under review increased by 1,762 million yen compared with the previous method.

(Notes to consolidated balance sheets)

\*1. Assets pledged as collateral and corresponding liabilities

Assets pledged as collateral

As of March 31, 2022		As of March 31, 2023	
(1) Assets pledged as collateral	(Millions of yen)	(1) Assets pledged as collateral	(Millions of yen)
Cash and deposits	5,267	Cash and deposits	5,332
Operating loans	337,276	Operating loans	350,717
Accounts receivable – installment	42,433	Accounts receivable – installment	45,780
Buildings and structures	3,762	Buildings and structures	3,727
Machinery and equipment	8	Machinery and equipment	7
Furniture and fixtures	55	Furniture and fixtures	64
Land	8,816	Land	8,816
Total	397,620	Total	414,444
(2) Corresponding liabilities	(Millions of yen)	(2) Corresponding liabilities	(Millions of yen)
Short-term borrowings	68,510	Short-term borrowings	56,500
Current portion of long-term borrowings	95,567	Current portion of long-term borrowings	102,246
Long-term borrowings	127,030	Long-term borrowings	156,052
Total	291,108	Total	314,798

i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of ¥189,259 million, short-term borrowings of ¥10,000 million, current portion of long-term borrowings of ¥28,852 million and long-term borrowings of ¥74,207 million).

ii) The amounts for some of the operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

iii) Of the above assets, cash and deposits of ¥422 million are pledged as collateral for PT REKSA FINANCE borrowings.

i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of ¥184,506 million, current portion of long-term borrowings of ¥24,937 million and long-term borrowings of ¥74,539 million).

ii) The amounts for some of the operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

iii) Of the above assets, cash and deposits of ¥422 million are pledged as collateral for PT REKSA FINANCE borrowings.

\*2. Unsecured personal loans included in operating loans

As of March 31, 2022	As of March 31, 2023
¥494,678 million	¥542,992 million

\*3. Shares and other securities issued by non-consolidated subsidiaries and affiliated companies

	As of March 31, 2022	As of March 31, 2023
Investment securities (shares)	¥2,804 million	¥7,150 million
Investment securities (other securities)	¥1,232 million	¥1,421 million

\*4. Accounts receivable - installment

	As of March 31, 2022	As of March 31, 2023
Credit card business	¥95,407 million	¥100,988 million
Installment sales finance business	¥14,836 million	¥35,570 million
Total	¥110,244 million	¥136,559 million

\*5. Deferred installment income

As of March 31, 2022					As of March 31, 2023				
(Millions of yen)					(Millions of yen)				
	Balance at beginning of FY	Receipts during FY	Actual balance during FY	Balance at end of FY		Balance at beginning of FY	Receipts during FY	Actual balance during FY	Balance at end of FY
Credit card shopping	439	3,518	3,502	454	Credit card shopping	454	1,574	1,466	562
Installment sales finance	1,383	2,686	1,503	2,566	Installment sales finance	2,566	7,334	3,368	6,532
Total	1,822	6,204	5,006	3,021	Total	3,021	8,908	4,835	7,094

\*6. Securitization of claims removed from the balance sheet

	As of March 31, 2022	As of March 31, 2023
Operating loans	¥34,891 million	¥34,531 million
Accounts receivable - installment	¥6,536 million	¥6,340 million

\*7. Contingent liability

Guarantee obligation

The Company guarantees loans payable from financial institutions for the Company's non-consolidated subsidiary, PT REKSA FINANCE.

	As of March 31, 2022	As of March 31, 2023
PT REKSA FINANCE	¥1,969 million	¥3,408 million

\*8. Non-performing loans

The status of non-performing loans (NPL) is as follows:

As of March 31, 2022					As of March 31, 2023				
(Millions of yen)					(Millions of yen)				
	Loans outstanding and Claims provable in bankruptcy		Other	Total	Loans outstanding and Claims provable in bankruptcy		Other	Total	
	Unsecured loans	Other than unsecured loans			Unsecured loans	Other than unsecured loans			
Bankrupt or De facto Bankrupt	657	20,443	454	21,555	597	16,052	468	17,118	
Doubtful Receivables	21,101	4,492	6,627	32,221	24,940	6,307	8,232	39,480	
Receivables 3 months+ in arrears	9,701	436	-	10,137	9,556	404	-	9,960	
Restructured receivables	37,416	2,872	3,640	43,928	44,743	2,301	4,997	52,042	
Normal	427,081	45,341	197,329	669,752	464,351	62,627	226,414	753,393	
Total	495,958	73,585	208,052	777,595	544,189	87,694	240,112	871,996	

The loan categories in the table above are as follows.

(Bankrupt or De facto Bankruptcy)

Bankrupt or De facto Bankruptcy are loans in which the conditions stipulated under (a) through (e) of sub-paragraph 3, paragraph 1, Article 96 or sub-paragraph 4 of the same paragraph of the Corporation Tax Act Enforcement Ordinance (Enforcement Ordinance No. 97 of 1965) apply. Any amounts deemed necessary to cover possible losses on an individual account basis of the claims in bankruptcy and rehabilitation are posted in the allowances for doubtful accounts.

(Doubtful receivables)

Doubtful receivables are receivables that do not fall under the category of Bankrupt or De facto Bankrupt, and with a high possibility that the repayment situation will deteriorate, and it will not be possible to collect the principal nor interest of the receivables in accordance with the contract.

(Receivables three months or more in arrears)

Receivables three months or more in arrears are receivables for which payments of principal or interest have not been received for a period of three months or more beginning with the next business day following the last due date for such payments. Receivables classified as Bankrupt or De facto Bankruptcy and Doubtful receivables are excluded from loans three months or more in arrears.

(Restructured receivables)

Restructured receivables are receivables for which creditors have granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, waiver of the face amount, or other concessive measures) to debtors in financial difficulties to assist them in their recovery and eventually enable them to pay creditors, and which receive regular payments. Receivables classified as Bankrupt or De facto Bankruptcy, Doubtful receivables and Receivables three months or more in arrears are excluded.

(Normal receivables)

Normal receivables are receivables that do not fall under any of the above categories and have no repayment delays.

\*9. Loan commitments related to operating loans

(Previous fiscal year)

Of operating loans including off-balance sheet loans resulting from securitization, ¥488,273 million is loans under revolving credit agreements. Under these agreements, customers may get additional loans up to a specified maximum amount that does not exceed the amount requested by them.

Outstanding loan commitments under revolving credit agreements were ¥811,301 million.

The Group reviews the agreements and takes steps to preserve credit even after concluding the agreements if it considers that taking steps is necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments or who have not requested any loans after concluding a credit agreement. Many revolving credit agreements expire with no loans being provided. Therefore, outstanding loan commitments themselves do not necessarily affect the Group's future cash flows.

(Fiscal year under review)

Of operating loans including off-balance sheet loans resulting from securitization, ¥553,769 million is loans under revolving credit agreements. Under these agreements, customers may get additional loans up to a specified maximum amount that does not exceed the amount requested by them.

Outstanding loan commitments under revolving credit agreements were ¥811,755 million.

The Group reviews the agreements and takes steps to preserve credit even after concluding the agreements if it considers that taking steps is necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments or who have not requested any loans after concluding a credit agreement. Many revolving credit agreements expire with no loans being provided. Therefore, outstanding loan commitments themselves do not necessarily affect the Group's future cash flows.

\*10. Of the allowances for doubtful accounts, the estimated interest repayment amounts expected to have priority in being appropriated to operating loans are as follows:

As of March 31, 2022	As of March 31, 2023
¥2,898 million	¥2,160 million

\*11. Of other, contract liabilities are as follows:

As of March 31, 2022	As of March 31, 2023
¥3,792 million	¥3,721 million

(Notes to Segment Information)

Segment Information

1. Overview of reporting segments

i) Determination of reporting segments

The Company's reporting segments are the Group's constituent units for which separate financial information is available and which the Board of Directors reviews periodically in order to decide the allocation of managerial resources and evaluate business performance.

The Group carries out business with the Company and each of its consolidated subsidiaries as the smallest component of its strategies.

Therefore, the AIFUL Group's reporting segments are its two core companies: AIFUL Corporation and LIFECARD Co., Ltd.,

ii) Types of products and services belonging to each reporting segment

AIFUL Corporation is mainly engaged in loans and credit guarantees. LIFECARD Co., Ltd., is mainly involved in credit sales and credit guarantees.

iii) Notes relating to changes in reportable segments

From the fiscal year under review, Sumishin Life Card Co., Ltd., previously included in "Other," was extinguished as a result of an absorption-type merger with LIFECARD CO., LTD., a reportable segment, as the surviving company. The segment information for the previous fiscal year disclosed as comparative information for the current fiscal year has been prepared based on the reporting segments after the change, and there are differences between the segment information disclosed for the previous fiscal year and the comparative information disclosed for the current fiscal year.

2. Calculation of operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment

The accounting methods applied to the reporting segments are the same as those described in "Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements." Income of the reporting segments is the net profit.

Inter-segment sales and transfers are based on the amount equivalent to the cost of sales at the submitting company.



3. Information related to operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	82,898	33,409	116,308	15,789	132,097
Inter-segment sales and transfers	218	293	511	58	569
Total	83,117	33,702	116,820	15,847	132,667
Segment profit	7,912	1,585	9,497	13,936	23,434
Segment assets	711,185	209,241	920,426	113,604	1,034,031

\*1. The “other” classification comprises business segments not included in reporting segments and encompasses the activities of AG BUSINESS SUPPORT CORPORATION and AG Loan Services Corporation, etc.

Fiscal year under review (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	88,294	35,349	123,643	20,508	144,152
Inter-segment sales and transfers	155	339	495	65	560
Total	88,449	35,689	124,138	20,574	144,713
Segment profit	31,028	911	31,939	1,958	33,897
Segment assets	834,868	216,305	1,051,173	143,976	1,195,150

\*1. The “other” classification comprises business segments not included in reporting segments and encompasses the activities of AG BUSINESS SUPPORT CORPORATION and AG Loan Services Corporation, etc.

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements and the main details of such difference (matters concerning difference adjustment)

(Millions of yen)

Operating revenue	FY2022/3	FY2023/3
Reporting segment total	116,820	124,138
Operating revenue categorized as “other”	15,847	20,574
Inter-segment eliminations	(569)	(560)
Operating revenue posted in consolidated financial statements	132,097	144,152

(Millions of yen)

Profit	FY2022/3	FY2023/3
Reporting segment total	9,497	31,939
Profit categorized as “other”	13,936	1,958
Inter-segment eliminations	25	(11,080)
Other adjustments	(11,125)	(473)
Profit attributable to owners of parent posted in consolidated financial statements	12,334	22,343

(Millions of yen)

Assets	FY2022/3	FY2023/3
Reporting segment total	920,426	1,051,173
Assets categorized as “other”	113,604	143,976
Other adjustments	(98,388)	(124,664)
Total assets posted in consolidated financial statements	935,642	1,070,485

## (Per Share Information)

Previous FY (Apr. 1 2021 to Mar. 31 2022)		FY under review (Apr. 1 2022 to Mar. 31 2023)	
Net assets per share	¥318.17	Net assets per share	¥364.01
Net income per share	¥25.50	Net income per share	¥46.19

Note 1. Diluted net income per share is omitted because there were no latent shares.

2. The basis for calculation of net income per share is as follows:

(Millions of yen)

	Previous FY (Apr. 1 2021 to Mar. 31 2022)	FY under review (Apr. 1 2022 to Mar. 31 2023)
Net income per share		
Profit attributable to owners of parent	12,334	22,343
Amount not attributable to common stock shareholders	—	—
Profit attributable to owners of parent related to common stock	12,334	22,343
Average number of shares of common stock during the period	483,702,666 shares	483,702,593 shares

3. The basis for calculation of net assets per share is as follows.

(Millions of yen)

	Previous FY (Apr. 1 2021 to Mar. 31 2022)	FY under review (Apr. 1 2022 to Mar. 31 2023)
Total net assets	156,526	179,593
Amount deducted from total net assets	2,626	3,520
(Of which non-controlling interest)	(2,626)	(3,520)
Net assets related to common stock at end of FY	153,900	176,072
Number of shares of common stock at end of FY used in the calculation of net assets per share	483,702,666 shares	483,702,522 shares

(Important Subsequent Events)

Not applicable

## 4. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	15,387	20,826
Operating loans	450,934	495,446
Accounts receivable - installment	226	185
Customers' liabilities for acceptances and guarantees	158,645	184,541
Other operating receivables	8,802	11,326
Prepaid expenses	454	407
Accrued income	3,228	3,562
Other	7,169	9,298
Allowance for doubtful accounts	(39,787)	(39,854)
<b>Total current assets</b>	<b>605,061</b>	<b>685,740</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	12,963	13,008
Accumulated depreciation	(9,147)	(9,322)
Buildings, net	3,816	3,686
Structures	879	819
Accumulated depreciation	(707)	(679)
Structures, net	171	139
Machinery and equipment	146	146
Accumulated depreciation	(138)	(139)
Machinery and equipment, net	8	7
Vehicles	—	0
Accumulated depreciation	—	(0)
Vehicles, net	—	0
Furniture and fixtures	3,451	3,479
Accumulated depreciation	(2,834)	(2,993)
Furniture and fixtures, net	616	486
Land	6,810	6,810
Leased assets	1,194	1,194
Accumulated depreciation	(503)	(708)
Leased assets, net	691	486
Construction in process	116	42
<b>Total property, plant and equipment</b>	<b>12,230</b>	<b>11,659</b>
<b>Intangible assets</b>		
Software	2,878	4,121
Other	24	79
<b>Total intangible assets</b>	<b>2,902</b>	<b>4,201</b>
<b>Investments and other assets</b>		
Investment securities	1,251	1,279
Shares of subsidiaries and associates	30,383	34,766
Long-term loans receivable from subsidiaries and associates	45,702	83,645
Claims provable in bankruptcy	14,523	11,676
Long-term prepaid expenses	347	307
Deferred tax assets	9,670	10,471
Lease and guarantee deposits	1,286	1,183
Other	445	374
Allowance for doubtful accounts	(12,618)	(10,437)
<b>Total investments and other assets</b>	<b>90,990</b>	<b>133,267</b>

Total non-current assets	106,124	149,127
Total Assets	711,185	834,868

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Acceptances and guarantees	158,645	184,541
Short-term borrowings	15,426	3,550
Short-term loans payable to subsidiaries and associates	1,533	1,734
Commercial papers	2,500	12,000
Current portion of bonds	35,000	—
Current portion of long-term borrowings	162,330	177,585
Lease obligations	224	209
Trade accounts payable	5,943	5,412
Accrued expenses	542	647
Income taxes payable	630	1,418
Allowance for bonuses	1,383	1,482
Provision for directors' bonuses	33	39
Provision for share-based remuneration	—	44
Other	547	539
Total current liabilities	384,741	389,206
Non-current liabilities		
Bonds payable	—	45,000
Long-term borrowings	191,684	241,916
Lease obligations	537	328
Provision for loss on interest repayment	21,334	14,943
Asset retirement obligations	1,991	2,013
Other	798	799
Total non-current liabilities	216,347	305,001
Total liabilities	601,089	694,207
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus		
Capital reserves	52	52
Total capital surplus	52	52
Retained earnings		
Legal retained earnings	48	96
Other retained earnings		
Retained earnings carried forward	18,602	49,098
Total retained earnings	18,650	49,195
Treasury shares	(3,110)	(3,110)
Total shareholders' equity	109,621	140,165
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	475	494
Total valuation and translation adjustments	475	494
Total net assets	110,096	140,660
Total liabilities and net assets	711,185	834,868

## (2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2022 (Apr. 1 2021 to Mar. 31 2022)	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)
Operating revenue		
Interest on operating loans	63,071	67,596
Other financial revenue	0	0
Other operating revenue		
Revenue from credit guarantee	11,447	12,447
Recoveries of written off claims	6,405	6,357
Other	2,192	2,048
Total other operating revenue	20,045	20,852
Total operating revenue	83,117	88,449
Operating expenses		
Financial expenses		
Interest expenses	4,266	4,078
Interest on bonds	433	429
Other	721	736
Total financial expenses	5,421	5,245
Other operating expenses		
Advertising expenses	9,644	14,097
Commissions	6,002	6,449
Provision of allowance for doubtful accounts	20,701	22,406
Provision for loss on interest repayment	17,283	—
Salaries and allowances for employees	5,883	5,866
Provision for bonuses	816	876
Depreciation	1,706	1,745
Other	10,899	12,634
Total other operating expenses	72,938	64,076
Total operating expenses	78,359	69,322
Operating profit	4,757	19,127
Non-operating income		
Interest on loans receivables	1,018	1,387
Dividends	32	10,831
Other	963	881
Total non-operating income	2,014	13,100
Non-operating expenses		
Provision of allowance for doubtful accounts	3	3
Infectious disease related costs	10	4
Other	8	6
Total non-operating expenses	23	15
Ordinary profit	6,748	32,213
Extraordinary losses		
Loss on valuation of stocks of subsidiaries and affiliates	—	14
Provision of allowance for doubtful accounts	—	453
Total extraordinary losses	—	468
Income before taxes	6,748	31,744
Income taxes - current	2,028	1,526
Income taxes - deferred	(3,192)	(809)
Total income taxes	(1,163)	716
Profit	7,912	31,028

### (3) Non-Consolidated Statements of Change in Shareholders' Equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2021	94,028	52	52	—	11,222	11,222
Changes during the period						
Dividends of surplus				48	(532)	(483)
Profit					7,912	7,912
Purchase of treasury shares						
Net changes in accounts other than shareholders' equity						
Total change during fiscal year	—	—	—	48	7,380	7,428
Balance at March 31, 2022	94,028	52	52	48	18,602	18,650

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2021	(3,110)	102,192	462	462	102,655
Changes during the period					
Dividends of surplus		(483)			(483)
Profit		7,912			7,912
Purchase of treasury shares		—			—
Net changes in accounts other than shareholders' equity			12	12	12
Total change during fiscal year	—	7,428	12	12	7,441
Balance at March 31, 2022	(3,110)	109,621	475	475	110,096



Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2022	94,028	52	52	48	18,602	18,650
Changes during the period						
Dividends of surplus				48	(532)	(483)
Profit					31,028	31,028
Purchase of treasury shares						
Net changes in accounts other than shareholders' equity						
Total change during fiscal year	—	—	—	48	30,496	30,544
Balance at March 31, 2023	94,028	52	52	96	49,098	49,195

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2022	(3,110)	109,621	475	475	110,096
Changes during the period					
Dividends of surplus		(483)			(483)
Profit		31,028			31,028
Purchase of treasury shares	(0)	(0)			(0)
Net changes in accounts other than shareholders' equity			19	19	19
Total change during fiscal year	(0)	30,544	19	19	30,564
Balance at March 31, 2023	(3,110)	140,165	494	494	140,660